

Message Text

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TAGS: ELAB,ENRG,NO,US

SUBJECT: LABOR CONTROVERSY INVOLVING US OIL COMPANY

SUMMARY: US OWNED OIL FIRM HAS COME UNDER FIRE IN NORWAY RECENTLY FROM BOTH GOVERNMENT AND UNION SOURCES. PUBLICATION OF A GOVERNMENT STUDY CRITICAL OF FOREIGN WORKER'S WORKING AND LIVING CONDITIONS ON OFFSHORE DRILLING RIGS OF PHILLIPS CORPORATION AND ITS SUBCONTRACTORS IN NORTH SEA HAS STIRRED PUBLIC CONTROVERSY AND INTER-DEPARTMENTAL GOVERNMENT COMMITTEE IS BEING FORMED TO STUDY POSSIBLE OFFICIAL ACTION. NORWEGIAN TRADE UNION FEDERATION(LO) AND SEAMEN'S UNION ARE ALSO INCREASING PRESSURE. SEAMEN HAVE LONG PRESSED PHILLIPS TO NEGOTIATE CONTRACT WITH UNION BUT PHILLIPS HAS DECLINED, CITING AGREEMENT WITH AN INDEPENDENT UNION AND ALSO ASSERTING LACK OF JURISDICTION OVER SUBCONTRACTORS. SEAMEN'S UNION PRESIDENT HENRIK AASAROD SAYS PHILLIPS WILL NOW BEGIN EXPLOTATORY CONVERSATIONS NEXT WEEK,BUT IF PHILLIPS IS UNWILLING TO NEGOTIATE, HIS UNION, IN

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COOPERATION WITH INTERNATIONAL TRANSPORT WORKERS'

FEDERATION(ITF) WILL INSTITUTE A BOYCOTT KEEPING
SUPPLIES FROM REACHING PHILLIPS RIGS. END SUMMARY.

1. JULY 8 PRESS ARTICLES DESCRIBED A JUST-PUBLISHED
SOCIAL MINISTRY STUDY HIGHLY CRITICAL OF WORK HOURS,
LIVING CONDITIONS,EMPLOYMENT SECURITY,SAFETY, AND
OTHER CONDITIONS ON OIL RIGS OF PHILLIPS AND ITS SUB-
CONTRACTORS. PRESS ALSO REPORTED THAT FOREIGN WORKERS'
WAGES AND WORKING CONDITIONS ON THESE RIGS ARE BELOW
NORWEGIAN STANDARDS AND THUS CONTRARY TO NORWEGIAN
POLICY. MOST GOVERNMENT OFFICIALS ARE AWAY ON VACATION,
BUT SPOKESMEN REMAINING IN INTERESTED DEPARTMENTS
(SOCIAL,INDUSTRY,AND LABOR MINISTRIES AND OIL DIRECTORATE)
EMPHASIZED THEIR DISTRESS AT FINDINGS AND THE NEED FOR ACTION.
FORMATION OF AN INTERDEPARTMENTAL COMMITTEE TO STUDY
SITUATION AND PROPOSE REMEDIES WAS ANNOUNCED. REMEDIES
MAY BE PART OF NEW WORK ENVIRONMENT LAW TO BE CONSIDERED
BY STARTING THIS FALL. GOVERNMENT AND LABOR MOVEMENT SPOKES-
MEN HOPE IT WILL GO INTO EFFECT BEGINNING OF 1976.

2. SOME ARTICLES CRITICIZED LO AND SEAMEN'S UNION
FOR LACK OF VIGOR IN DEFENDING "EXPLOITED" FOREIGN
WORKERS. AASAROD RESPONDED THAT STUDY MERELY CONFIRMED
WHAT UNION HAD SAID ALL ALONG, THAT PHILLIPS IS ANTI-
UNION AND THAT SITUATION MUST BE BROUGHT UNDER CONTROL.
LO VICE PRESIDENT ODD HOJDAHL SUGGESTED LEGALLY-IMPOSED
AGENCY SHOP FOR FOREIGN WORKERS(PART OF DRAFT WORK
ENVIRONMENT LEGISLATION) SHOULD COVER OIL RIG WORKERS SO
THAT LO COULD INTERVENE EFFECTIVELY. A PHILLIPS SPOKESMAN
DENIED THAT COMPANY IS "ANTI-UNION"; PHILLIPS
WOULD BE GLAD TO DEAL WITH SEAMEN'S UNION IF EMPLOYEES
WANTED TO JOIN,BUT WOULD NOT FORCE THEM TO. HE ALSO
QUESTIONED WHETHER PHILLIPS SHOULD OR COULD INTERVENE
IN SUBCONTRACTOR'S WAGES,WORKING CONDITIONS AND EMPLOYEE
RELATIONS. PHILLIPS'S INDEPENDENT UNION OFFICIALS MET
AND,ACCORDING TO PRESS,DEFENDED LOWER WAGES AND HARDER
WORKING CONDITIONS FOR FOREIGNERS AS IN THEIR INTERESTS
(PRESERVING THEIR JOBS,BETTER THAN WHAT THEY GET
AT HOME,ETC.) OPPOSED OBLIGING PHILLIPS WORKERS TO
AFFILIATE TO LO-AFFILIATED UNION AND TERMED STUDY
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EXAGGERATED, BUT SAID PHILLIPS AND GOVERNMENT SHOULD IMPROVE
SAFETY ON RIGS.

3. AASAROD TOLD EMBOFF IT WAS "UNREFINED", (I.E. BEYOND THE
PALE) OF PHILLIPS TO SET UP COMPANY UNION. HE SAID FOREIGN
WORKER'S WAGES ARE MUCH LOWER THAN NORWEGIANS ON THE
RIGS(AROUND \$2 AN HOUR FOR BRITISH,LESS FOR SPANIARDS
IRANIANS,ETC. ABOUT \$6 AN HOUR FOR

NORWEGIANS) AND SPANIARDS WORK HOURS(TWELVE ON, TWELVE OFF, SEVEN DAYS A WEEK FOR UP TO SIX MONTHS) ARE INHUMAN. HE SPOKE OF ASKING GOVERNMENT TO INCLUDE OIL RIG WORKERS IN IMMIGRATION "FREEZE"(OSLO A-3), PHILLIPS,HE SAID, HAS LONG REFUSED TO NEGOTIATE,CITING THEIR AGREEMENT WITH THEIR COMPANY UNION(MANY PROVISIONS OF WHICH ARE COPIED FROM HIS OWN UNION'S CONTRACT WITH OTHER OIL SECTOR FIRMS,HE SAID), BUT HE WOULD BEGIN CONVERSATIONS WITH THEM NEXT WEEK. HE HOPED AN AGREEMENT COULD BE REACHED, AND DISRUPTIONS AVOIDED, BUT SAID HE WOULD OTHERWISE HAVE TO RESORT TO A BOYCOTT PREVENTING SUPPLY DELIVERIES TO PHILLIPS AND ITS SUB CONTRACTOR'S OPERATIONS IN THE NORTH SEA. HE COUNTED ON ITF COOPERATION,ESPECIALLY SINCE HIS UNION HAD HELPED THE BRITISH TRANSPORT AND GENERAL WORKERS ORGANIZE PHILLIPS BRITISH WORKERS. HE PROMISED TO KEEP EMBASSY INFORMED. HE SAID HIS UNION HAS ORGANIZED ALL 1500 OIL EXPLORATION AND PRODUCTION INDUSTRY WORKERS OUTSIDE OF PHILLIPS(UNDER AN AGENCY SHOP ARRANGEMENT) PLUS 40-50 PHILLIPS WORKERS. HE ESTIMATED PHILLIPS AND ITS SUBCONTRACTOR WORK FORCE AT 250-300 NORWEGIANS AND ROUGHLY 750 FOREIGNERS, THE LATTER FIGURE VARYING WIDELY UP AND DOWN. (THE 750 MAY HAVE BEEN A TOTAL ESTIMATE, INCLUDING BOTH NORWEGIANS AND FOREIGNERS.)

4. EMBASSY UNDERSTANDS FROM PHILLIPS THAT LIVING CONDITIONS ARE INDEED SOMEWHAT MORE CRAMPED THAN PLANNED DUE TO NEED TO USE MORE WORKERS THAN ANTICIPATED. SUBCONTRACTORS FOREIGN WORKERS ARE PAID ON WORLDWIDE SCALE, AND COMPRESSED WORK SCHEDULE AND THUS GREATER EARNINGS IN LESS TIME ARE MORE TO THEIR TASTE,PHILLIPS INFORMS. SUBSTANTIAL WAGE INCREASES AND IMPROVEMENT OF CONDITIONS FOR FOREIGN WORKERS WOULD AFFECT COST CALCULATED LIMITED OFFICIAL USE

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TIONS,ACCORDING TO PHILLIPS, AND NORWEGIAN WORKERS ARE DIFFICULT TO FIND.

5. COMMENT: ESTABLISHMENT OF INTERDEPARTMENTAL COMMITTEE AND BEGINNING OF TALKS BETWEEN COMPANY AND UNION MAY YET ALLOW TIME FOR PRESSURES AND EMOTIONS ARISING FROM SENSATIONAL COVERAGE DURING SUMMER PRESS DOLDRUMS TO DIE DOWN, AND FOR REASONED CONSIDERATION OF PROBLEMS AND REALISTIC POSSIBILITIES BY INTERESTED PARTIES TO LEAD TO MUTUALLY ACCEPTED SOLUTIONS. BUCHANAN

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